REMARKS

Reconsideration and allowance of this application are respectfully requested in view of the amendments above and the remarks below.

Withdrawal of Earlier Rejections

Applicants gratefully appreciate the withdrawal of the earlier rejections of the claims in light of applicants' Response to the Final Office Action and Request for Continued Examination.

35 U.S.C. §103(a) Rejections

In the Office Action, claims 1-4, 16-19, 21, 23-29, 31-37, and 39-52 were rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over Fernando et al. (U.S. Patent No. 6,193,152) in view of Gage et al. ("Price Chopper Begins Electronic Check Capture", PR Newswire, New York, June 20, 2000); claims 30 and 38 were rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over Fernando et al. in view of Gage et al. and Preiser et al. (U.S. Patent Application Publication No. 2002/0040344); and claims 8 and 22 were rejected under 35 U.S.C. 103(a) as being allegedly unpatentable over Fernando in view of Gage et al. and Yamaguchi et al. (U.S. Patent No. 5,577,242). Applicants respectfully traverse these rejections for the following reasons.

Initially, one aspect of applicants' invention is directed to a technique for electronic check processing, for example, in retail operations which allow customers to pay for goods or services, such as items at a grocery checkout, with a blank check and without writing out and/or signing the blank check. Allowing a customer to pay

with a blank check reduces the time required for completing the point-of-sale transaction for the customer and for the retailer.

This aspect of the applicants' invention includes receiving a transaction amount at a point-of sale, receiving checking account information from a blank check at the point-of-sale, receiving an electronic image of a face of the blank check at the point-of-sale, and storing the transaction amount, the checking account information, and the electronic image of a face of the blank check in at least one data storage unit. The information received and stored may be used to generate an electronic check posting for settlement, used to resubmit an electronic check posting for settlement where an initial electronic check posting is not satisfied, and used to prove or collect payment in the case where the check was drawn on an account with insufficient funds or where the customer tendered the check fraudulently.

Further, applicants' invention may also include receiving biometric information from the customer. Capturing an image of the blank check and biometric information from the customer such as an electronic image of the customer's handwritten signature on an electronic capture device allows archival and retrieval of two items of information for use in collecting payment in the case where the check was drawn on an account with insufficient funds or where the customer tendered the check fraudulently.

Turning now to the primary applied reference, Fernando et al. in one embodiment shown in FIG. 4, illustrates a check cashing system that includes a signature pad device connected to a host computer, and an add-on unit having a printer, a magnetic stripe reader, and a smart card reader. A keypad and a fingerprint unit are also connectable to the signature pad device.

As further stated in Fernando et al. in column 13, lines 35-60:

> The operation of the check processing function of unit 225 will now be described. As shown in FIG. 4, check 205 is inserted into slot 215 within unit 225, and is moved up and through the unit in the direction shown by the curved arrow. Electronics 195 magnetically reads characters 235 imprinted on the check, which characters identify the user's bank and bank account number. Communications link 40 enables unit 10 to communicate in substantially realtime with the user's identified bank to confirm there are sufficient account funds to negotiate the transaction at hand. (By substantially realtime it is mean that if communications does not occur within seconds, any time delay will be less than perhaps a minute or so.) If not, display 50 can signal the check-out cashier appropriately, for example through an auxiliary display unit 55, and/or speaker 185 can emit an audible warning.
>
> In practice, the consumer purchaser would sign check 205 and insert the otherwise blank check into slot 215 in unit 225. Alternatively, the customer need not sign the check, but would write a signature on screen 50. System 10 knows the merchant store identification and the dollar amount to be charged from host information available via link 40, and knows the user's bank and account number from indicia 235 on the check. Assuming that information transmitted via link 40 to a clearing house for the user's bank confirms available funds to complete the present transaction, printer 85 will then print the date, the dollar amount, and the merchant store as payee on check 205. Printer 85 can also print the customer's signature 70 on the check, and legally "VOID" the check, e.g., by printing "VOID" thereon. Processed check 205 will then emerge from the exit portion 217 of the continuation of slot 205, but near the rear portion of device 225, as shown in FIG. 4. If desired, other documents 75 printed by printer 85 may also emerge from the same exit slot portion 217 as a processed check 205.
>
> The check-out cashier will then hand the check to the customer as a transaction receipt, as the funds have

> automatically been transferred from the identified bank account into the merchant's bank account. Of course, the customer may also be given a printed receipt 75 enumerating the items purchased and their cost. Security in the above transaction can of course be promoted if the merchant insists upon use of a credit card 100 or smartcard 140, whose memory includes for example either PIN or preferably fingerprint PIN token information. Such security will protect the user against misuse of lost or stolen checks. (emphasis added)

As stated in the Office Action, Fernando et al. do not explicitly teach receiving and storing an electronic image of a face of the blank check. Also in the Office Action, Gage et al. was applied as teaching an electronic image of a face of a check (see Gage et al. at page 3, paragraphs 3-6). In addition, it was the position in the Office Action that it would have been allegedly obvious to one of ordinary skill in the art at the time of the invention to modify Fernando et al. to include this step as taught by Gage et al. as one would have been motivated to do so in order to store the image of the blank check for later retrieval.

In response to the recent U.S. Supreme Court decision in *KSR v. Teleflex, Inc.*, the U.S. Patent and Trademark Office has issued an internal interim memorandum discussing the KSR ruling and provided guidance when considering an obviousness rejection under 35 U.S.C. 103, noting that:

> (1) The Court reaffirmed the Graham factors in the determination of obviousness under 35 U.S.C. 5 103(a).
> (2) The Court did not totally reject the use of "teaching, suggestion, or motivation" as a factor in the obviousness analysis.
> (3) The Court rejected a rigid application of the "teaching, suggestion, or motivation" (TSM) test.
> (4) The Court noted that the analysis supporting a rejection under 35 U.S.C. 103(a) should be made explicit, and that it was "important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the [prior art] elements" in the manner claimed.

> Therefore, in formulating a rejection under 35 U.S.C. §103(a) based upon a combination of prior art elements, it remains necessary to identify the reason why a person of ordinary skill in the art would have combined the prior art elements in the manner claimed.

As stated in the Office Action, Fernando et al. does disclose, teach or suggest receiving an electronic image of a face of the blank check at the point-of-sale. In addition, upon closer review, Fernando et al. which discloses communicating in substantially realtime with the user's identified bank, fails to disclose teach or suggest storing the transaction amount and the checking account information in at least one data storage unit. Moreover, Fernando et al. fails to disclose, teach or suggest, storing the combination of "the transaction amount, the checking account information, and the electronic image of a face of the blank check in at least one data storage unit."

Thus, while Gage et al. was applied as teaching storing an electronic image of a face of a check, Fernando et al. and Gage et al., either alone or in combination, fail to disclose, teach or suggest storing the combination of the transaction amount and the checking account in al least one data storage unit. More importantly, Fernando et al. and Gage et al., either alone or in combination, fail to disclose, teach or suggest the combination of "storing a) the transaction amount, b) the checking account information, and c) the electronic image of a face of the blank check in d) at least one data storage unit" as recited in independent claims 1, 16, 23, 31, 40, 44, 54, and 57.

As noted above, the U.S. Supreme Court in *KSR* did not totally reject the use of "teaching, suggestion, or motivation" as a factor in the obviousness analysis. In the system described in Fernando et al., a user's check may be processed in realtime and immediately returned to the user as a receipt for payment of the present transaction. The transaction is completed instantly in that the device contacts the

user's bank and, if funds are available, debits the account as payment for the instant transaction. Thus, one of ordinary skill in the art following the teachings of Fernando et al. to reduce the likelihood of fraud or insufficient funds would transfer of funds in realtime, and therefore, there is no reason why one skilled in the art would be prompted to combine aspects of Gage et al. as suggested in the Office Action. As noted above, even if Fernando et al. and Gage et al. are attempted to be combined as suggested in the Office Action, all of the limitations of applicants' claimed invention are still not taught or suggested.

Accordingly, it is respectfully submitted that Fernando et al. and Gage et al., either alone or in combination, fail to teach or suggest applicants' electronic check cashing process which includes "receiving an electronic image of a face of the blank check at the point-of-sale" and "storing the transaction amount, the checking account information, and the electronic image of a face of the blank check in at least one data storage unit" as recited in independent claims 1, 16, 23, 31, 40, 44, 54, and 57.

Furthermore, with regard to also receiving and storing biometric information such as a customer's signature, Fernando et al. and Gage et al., either alone or in combination, fail to teach or suggest an electronic check cashing process which includes "storing" the combination of "the transaction amount, the checking account information, the electronic image of a face of the blank check, and the biometric information in at least one data storage unit," as recited in claims 16-19, 21, 22, 31-44, 47-54, and 56-59.

Preiser et al. and Yamaguchi et al. fail to disclose, teach or suggest the limitations noted above lacking in Fernando et al. and Gage et al.

In addition, the combination of Fernando et al., Gage et al., Preiser et al., and Yamaguchi et al. fail to disclose, teach or suggest applicants' electronic check cashing process with includes batch processing. In particular, Fernando et al., Gage et al., Preiser et al., and Yamaguchi et al. fail to disclose, teach or suggest "storing a plurality of transaction amounts, a plurality of checking account information, and a plurality of electronic images of faces of blank checks, and transferring as a batch the plurality of transaction amounts, the plurality of checking account information, and plurality of electronic images of the faces of the blank checks to a warehouse data storage unit" as recited in claim 8, or "storing a plurality of transaction amounts, a plurality of checking account information, and the plurality of electronic images of faces of blank checks, and a plurality of biometric information, and transferring as a batch the plurality of transaction amounts, the plurality of checking account information, the plurality of electronic images of the faces of the blank checks, and a plurality of the biometric information to a warehouse data storage unit" as recited in claim 22.

Accordingly, it is respectfully submitted that applicants' claimed invention is patentable over the combination of Fernando et al. in view of Gage et al., Preiser et al., and Yamaguchi et al.

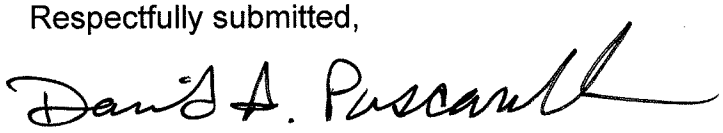
Withdrawal of the §103(a) rejections is respectfully requested.

CONCLUSION

It is believed that the application is in condition for allowance, and such action is respectfully requested.

If a telephone conference would be of assistance in advancing the prosecution of the subject application, applicants' undersigned attorney invites the Examiner to telephone him at the number provided.

Respectfully submitted,



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Dated: October 5, 2007

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